

February 28, 2013

LAKE COUNTY COMMISSIONERS' MEETING MINUTES

ROBERT E. AUFULDISH, PRESIDENT
JUDY MORAN, COMMISSIONER
DANIEL P. TROY, COMMISSIONER
AMY ELSZASZ, CLERK

JASON W. BOYD, COUNTY ADMINISTRATOR
LEGAL COUNSEL
JOEL DIMARE, BUDGET DIRECTOR
NEWS MEDIA

(Tape 2013-0228)

CALL TO ORDER: Commissioner Aufuldish called the meeting to order at 10:03 am, Thursday, February 28, 2013.

ROLL CALL: Upon the roll being called all were present.

APPROVAL OF MINUTES: Upon a motion by Commissioner Troy, seconded by Commissioner Moran, the minutes of the meeting of February 26, 2013, were approved as follows:

"AYES": Commissioners: Aufuldish, Moran and Troy

"NAYS": None

OPEN TO THE PUBLIC: Commissioner Aufuldish asked if anyone in the audience wished to address the Board.

Mike Carter of GGC briefly addressed the Board regarding GGC a small business in Painesville that was temporarily closed down due to the economy. GGC is in the process of merging with an established firm out of Mentor, therefore allowing the company to continue to operate in Lake County. GGC has one project that the company needs to finish for Al Saari, Sanitary Engineer. Mr. Carter said that Lake County has been kind to them in the past with work, and that they haven't given up on Lake County and hopefully vice versa. GGC very much appreciates all that Lake County had done for them in the past.

Commissioner Troy: We like to see collaborations and shared services. We appreciate the value received for the work that you have done for Mr. Saari's department on occasion, and we appreciate that you now have a renewed presence in Lake County.

RESOLUTIONS:

1. RESOLUTION ESTABLISHING A FUND TO BE KNOWN AS SR 91 & 84 WATER BOOSTER STATION & RESERVOIR UPGRADE 350W WITH VARIOUS REVENUE AND APPROPRIATION LINES AND TRANSFERRING CASH (20130228\U01) (UT-2)

On a motion of Commissioner Moran, seconded by Commissioner Troy, the foregoing resolution was adopted with the vote as follows: "AYES": Commissioners: Aufuldish, Moran and Troy "NAYS": None

2. RESOLUTION APPROVING LAKE COUNTY DEPARTMENT OF JOB AND FAMILY SERVICES VOUCHERS DATE OF WARRANT MARCH 11, 2013, IN THE AMOUNT OF \$245,724.89 (20130228\JFS01) (JFS-14)

On a motion of Commissioner Moran, seconded by Commissioner Troy, the foregoing resolution was adopted with the vote as follows: "AYES": Commissioners: Aufuldish, Moran and Troy "NAYS": None

3. RESOLUTION AUTHORIZING THE BOARD OF LAKE COUNTY COMMISSIONERS TO ENTER INTO A FEDERAL EQUITABLE SHARING AGREEMENT WITH THE UNITED STATES DEPARTMENT OF JUSTICE AND THE UNITED STATES DEPARTMENT OF THE TREASURY ON BEHALF OF THE LAKE COUNTY SHERIFF'S DEPARTMENT TO RECEIVE FEDERALLY FORFEITED PROPERTY AND/OR FUNDS (20130228\C01) (CT-10)

Commissioner Aufuldish: This is an annual piece of legislation that we pass in case there are any forfeited funds to capture.

On a motion of Commissioner Moran, seconded by Commissioner Troy, the foregoing resolution was adopted with the vote as follows: "AYES": Commissioners: Aufuldish, Moran and Troy "NAYS": None

4. RESOLUTION AUTHORIZING EXECUTION OF AN AGREEMENT FOR EXCESS WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY INSURANCE WITH WELLS FARGO INSURANCE SERVICES OF USA, INC., AGENT FOR MIDWEST EMPLOYERS CASUALTY COMPANY, EFFECTIVE MARCH 1, 2013 THROUGH FEBRUARY 28, 2014 (20130228\C02) (Workers' Comp.)

Bill Margalis, Administrative Director: Today, concludes our ninth year of being self-insured for workers compensation. For the last two years we were paying approximately \$89,000 with a \$750,000 cap. The amount of the insurance is based on our payroll. The new rate will be .0779 per \$1000 of payroll, which comes out to an approximate \$60,000. The difference being that we have raised the cap from \$750,000 to \$1 million. Ten years ago, we were paying \$146,000 for this coverage with a \$450,000 cap. Over time we have raised that cap because the claims have not been excessive and we were able to take on a larger liability. Our workers compensation fund has kept a nice balance and has grown over the years. Myself and Don Vorhees, our consultant, both feel that it is not that great of an additional risk to go from \$750,00 to \$1 million. Our self-insured workers compensation saves us anywhere between \$800,000 and \$1.2 million per year, as opposed to being under the state program.

Commissioners Aufuldish: Lake County was the first county in the State of Ohio to go self-insured. And, the fact that our claims are low means that we have a pretty safe workplace.

On a motion of Commissioner Moran, seconded by Commissioner Troy, the foregoing resolution was adopted with the vote as follows: "AYES": Commissioners: Aufuldish, Moran and Troy "NAYS": None

5. RESOLUTION SETTING THE DATE AND TIME FOR VIEWING AND THE DATE, TIME, AND PLACE FOR A PUBLIC HEARING ON THE PROPOSED DEDICATION OF ROBERT'S WAY COURT, LORETO LANDINGS DRIVE, CHRISTINA'S WAY COURT, AND FLORENCE'S WAY COURT IN PERRY TOWNSHIP, IDENTIFIED IN LORETO LANDINGS SUBDIVISION PLAT VOL. 44, PAGE 26 OF THE LAKE COUNTY RECORDS (Viewing: Tuesday, March 26, 2013 at 2 pm; Hearing: Thursday, March 28, 2013 at 10 am, Commissioners' Chambers, Lake County Administration Building) (20130228\C03) (C-66)

Commissioner Troy: The law does allow us to designate someone to go do the viewing on behalf of the County Commissioners. So, we will be looking for a volunteer.

- Commissioner Troy and Mike DeLeone, Legal Counsel briefly discussed before a street can be dedicated that it needs to meet certain criteria.

On a motion of Commissioner Moran, seconded by Commissioner Troy, the foregoing resolution was adopted with the vote as follows: "AYES": Commissioners: Aufuldish, Moran and Troy "NAYS": None

6. RESOLUTION APPROVING PAYMENT OF BILLS AS LISTED ON THE COMMISSIONERS' APPROVAL JOURNAL IN THE AMOUNT OF \$813,446.71 (20130228\BC01) (C-4)

On a motion of Commissioner Moran, seconded by Commissioner Troy, the foregoing resolution was adopted with the vote as follows: "AYES": Commissioners: Aufuldish, Moran and Troy "NAYS": None

7. RESOLUTION APPROVING PURCHASE ORDERS AS LISTED ON THE COMMISSIONERS' PURCHASE ORDER APPROVAL JOURNAL IN THE AMOUNT OF \$366,671.48 (20130228\BC02) (C-17)

On a motion of Commissioner Moran, seconded by Commissioner Troy, the foregoing resolution was adopted with the vote as follows: "AYES": Commissioners: Aufuldish, Moran and Troy "NAYS": None

8. RESOLUTION APPROVING THE 2013 PERMANENT APPROPRIATION MEASURE FOR THE GENERAL FUND (20130228\BC03.2013PGF)

Commissioner Aufuldish: This is our final budget for the year 2013. In December, we passed a temporary budget, which would take us to the end of March. The final budget is only about \$50 million because all of the health portion for \$10.3 million is going into a different line item other than the General Fund. The sales tax and property tax reduction have helped us to get enough revenue to make this a very nicely balanced budget. We thank Joel DiMare, Budget Director and his staff for all the fine work that they have done to get us to this point.

Commissioner Troy: It is a balanced budget, but it is still a fragile budget, and will require maintenance and upkeep by all of the department heads and elected officials between now and December 31st. This is our approved spending plan, which is required by law to be done by April 1st. I would say that the policy contained within this document is that we will continue to perform the statutory requirements of the county in terms of the Sheriff's Office, property recording, evaluation, and tax collections system. Also, an extensive court system, which includes the Prosecutor's Office, Courts, Public Defender's Office, etc... In terms of any changes in policy in this budget, they are possible because we have made adjustments in revenues. We had let a lot of things go in terms of needed capital improvements during the fiscal crisis that lasted for about three or four years. This budget sets aside approximately \$2 billion for capital improvements for things like parking lots that are falling apart, and wear and tear on our buildings and equipment. The casino money is not coming in anywhere near what was predicted. It is probably coming in more like 55%-60% of what had been predicted when this issue was in front of the voters. We are dedicating the lion's share of the casino money to economic development to help underwrite our Lake County Port Authority, which for all intents and purposes, our Lake County Office of Economic Development. In 2012, we did collect about a half year of the increased sales tax rate. What is different from this year than last year is we are collecting only 1.0 mills in property taxes. I know that people have been down in the Auditor's Office appealing their valuations, and people at the Treasurer's Office paying their tax bills. I would ask everyone to look at the first line item on their tax bill, and this is what goes to the county general fund for operational purposes, a grand total of 1.0 mills. On a property value of \$100,000, for the first half year this is about \$15.00. We have become much less dependent upon property tax revenue and more dependent on consumption revenue. The end result is that this budget is probably similar to budgets of five or six years ago. And, as Commissioner Aufuldish said, we have shifted the healthcare into a separate fund. Should, however, that separate fund, which is managed with a reserve ever become jeopardized, the General Fund would be required to backfill. However, we are making sure that doesn't take place. The budget is fragile because there is a state budget process taking place right now in Columbus. This is always of concern to every county because we don't know what changes will take place. Two years ago, we passed a budget based on an assumed amount of local government funding. When the state budget was passed at the end of June, there were substantial changes in the tangible personal property tax reimbursements. The concern now is that there are proposed changes in the sales tax rates, which are allegedly supposed to hold us harmless. There is also concern for the cities of 80,000 or larger, all counties, and school systems that when it comes to distributions some folks in the legislature may say that we don't need as much because we are getting the casino money. We will watch things between now and June 30th in terms of the State Budget, and encourage all of our office holders and department heads to watch things everyday between now and December 31st. It is a lean budget. We are taking in more sales tax revenue, but we have cut property tax revenue by approximately \$6 million. We feel our budget decisions have stopped the bleeding, and that we will be able to provide the required services to the citizens of Lake County in an efficient manner. We have consolidated some departments where we were statutorily able to do so. We will continue to operate in an efficient and somewhat downsized manner, and we will not be regrowing our employee base. I want to thank Joel, my fellow Commissioners, Jason, and Bill for their work in this budget.

Commissioner Moran: As the new person on the block, it was quite an experience to sit through this first round of budget hearings. It was a very great experience, and I want to thank all of the department heads for their cooperation. Just because the county seems to be in better shape than it has been in the last couple of years, nobody treated it as a free-for-all with their requests. And for that, I thank them. And again, I thank Joel and his staff for taking the time to explain a lot of things to me that I was unaware of. I think that the focus now should be on the aging infrastructure that we have let go for the last couple of years and building upkeep.

February 28, 2013

Commissioner Aufuldish: As you can see, we are all very pleased with the way this budget has shaken down. As we talk about the sales tax, everybody realizes that we did this in an election year, and we did it because we had to do it. We want to make Lake County a strong county, we don't want it to become weak or a part-time county by not having the proper revenue funding. We passed the sales tax, and went from .5% to 1%. Out of the 88 counties in this state, over 60 of them are maxed out at 1.5%. There are only two counties now at .5%. We are right in the middle, and we are actually in the minority as far as the other counties are concerned. And, looking at the dollars we get, probably at least 50% of our sales tax dollars comes from non-Lake County residents. It is also a user's tax, so it really does not impact the retired folks as much as any other type of tax because so far groceries aren't taxed. The general commodities that it takes a person to get by are not affected by this sales tax. We also thank our employees for the last four or five years not having any raises. This year we did give everybody a 2.5% raise.

On a motion of Commissioner Moran, seconded by Commissioner Troy, the foregoing resolution was adopted with the vote as follows: "AYES": Commissioners: Aufuldish, Moran and Troy "NAYS": None

9. **RESOLUTION CONGRATULATING BRYAN PATRICK DALY ON ATTAINING THE PRESTIGIOUS RANK OF EAGLE SCOUT AWARDED BY THE NATIONAL BOY SCOUTS OF AMERICA (20130228\F01) (C-126)**

On a motion of Commissioner Aufuldish, seconded by Commissioner Moran, the foregoing resolution was adopted with the vote as follows: "AYES": Commissioners: Aufuldish, Moran and Troy "NAYS": None

UTILITIES: None

STORMWATER: None

JOB AND FAMILY SERVICES: Matt Battiato, Job and Family Services Director: Our Lake1Stop and partners will be holding a job fair next Tuesday, March 5, 2013 from 10 am - 2pm to assist those 300 employees that will be affected by layoffs by Core Systems.

Commissioner Troy: We appreciate the fact that your department is there to assist these folks. We unfortunately never thought that we would have to be in a position to do so. It is a shame that things could not have been worked out because there were contracts coming in. And, the county has been involved in a small way in helping Core Systems purchase some new equipment a few years ago with a small business loan. We do have the equipment as collateral on those loans, and I understand that there is actually a little bit of interest on the equipment. The bottom line is that these are very skilled and hard working folks.

- Mr. Battiato briefly discussed a federal law that requires a company to issue a "Warn Letter", a 60 day notice, which was not provided in this situation.

Commissioner Aufuldish: This is a good example of how quickly your department has responded to a situation like this. I am sure everyone appreciates your actions.

Commissioner Troy: Have we received any notice of news media closings in the area?

Matt Battiato: Only what I have read.

COUNTY ADMINISTRATOR: None

DIRECTOR OF ADMINISTRATIVE SERVICES: None

FINANCE: None

CLERK: None

LEGAL: None

OLD BUSINESS: There was no old business.

NEW BUSINESS: Commissioner Troy: The National Association of Counties Legislative Conference starts Saturday in Washington D.C., and I am the Chair of the Finance and Intergovernmental Affairs Committee. They have asked me to meet with some Congressional tax committee staffers on Tuesday regarding the municipal bond issue.

PUBLIC COMMENT: Becky Lynch, Mentor, OH: Commissioner Troy you mentioned that there was a \$50 million hit on the property tax. Could you offset that with what was gained by the increase in sales tax?

- Commissioner Troy and Ms. Lynch had brief discussion regarding this question.

Commissioner Aufuldish: Our next meeting will be on Tuesday, March 12, 2013 at 10 am.

EXECUTIVE SESSION: None

ADJOURN: On a motion of Commissioner Troy, seconded by Commissioner Moran, the Board adjourned the meeting at 10:44 am, with the vote as follows:

"AYES": Commissioners: Aufuldish, Moran and Troy "NAYS": None

February 28, 2013

Minutes approved this 19th day of March, 2013.

BOARD OF LAKE COUNTY COMMISSIONERS

ROBERT E. AUFULDISH, PRESIDENT

JUDY MORAN, COMMISSIONER

DANIEL P. TROY, COMMISSIONER

AMY ELSZASZ, CLERK